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## Mexico

### Exporter Guide

### Report

### 2007

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**Report Highlights:**

Under NAFTA, Mexico has become one of the largest and fastest growing markets for U.S. agricultural products. Since 2003 duties have been eliminated on all consumer oriented food products. Exports of consumer oriented products to Mexico reached a record \$4.2 billion in 2006.

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Mexico is the United States' second most important agricultural export market. This Exporter's Guide offers both new exporters to the market and those who have experience in Mexico, a snapshot of what you need to know to be successful in this market. The guide is organized into the following parts:

- **Market Overview:** The Market Overview is a summary of the overall business climate, as well as a general perspective of the market opportunities for high-value consumer foods/beverages and edible fishery products.
- **Exporter Business Tips:** This section will provide you with practical information on business practices and what to expect when doing business in Mexico.
- **Market Sector Structure and Trends:** The market sector structure and trends is a qualitative assessment of the market opportunities for consumer-oriented foods/beverages and edible fishery products in the food retail, HRI (hotel, restaurant, and institutional) food service and food processing sectors.
- **Best Consumer Oriented Product Prospects:** In this section you can find some of the top import prospects in Mexico.
- **Key Contacts:** Key Contacts is a list of government and trade contacts who can provide you assistance in Mexico.
- **Other Relevant Reports:** This section includes links to additional market-related reports.

## Section I. Market Overview

The Mexican market continues to be a growth market that represents one of the best opportunities in the world for U.S. exporters of food products. Under NAFTA, Mexico has become one of the largest and fastest growing markets for U.S. agricultural products. Since 2003 duties have been eliminated on virtually all consumer oriented food products. U.S. agricultural fish and forestry exports have more than doubled since the onset of NAFTA. Furthermore, U.S. agricultural and food exports to Mexico have been climbing at an annual rate of almost 10 percent since 2002.

Total U.S. agricultural, fishery and forestry exports for CY 2006 reached \$11.6 billion, an increase of 15 percent over the previous year's pace. Imports from Mexico reached a record \$10.2 billion in 2006, 12 percent ahead of 2005. In the first half of 2007, U.S. exports to Mexico are up 18 percent, while Mexican exports to the U.S. are up 8.7 percent from the previous year. Two-way trade in agricultural, forestry and fisheries products is now approaching \$22 billion.

In 2006, the United States major agricultural exports to Mexico were (\$Bln): red meat (\$1.6), coarse grains (\$1.4), soybeans (\$0.9), poultry meat (\$0.46), dairy products (\$0.44), processed fruits and vegetable (\$0.43). Cotton, wheat, poultry and dairy products are also strongly represented in the trade mix. Fresh vegetables and fruit account for approximately 40 percent of the value of total Mexican exports to the United States.

Mexico has implemented sound macro-economic policies that contributed to a stable peso-dollar exchange rate and low inflation levels. The 2006 economic growth of 4.8 percent Mexico was boosted above the estimated 4 percent due to an increase in consumer demand in the industry, services and export sectors. Mexico's economy remains heavily dependent

on oil exports, remittances and trade with the United States, which purchases 90 percent of Mexico's exports.

Mexico is experiencing a population growth of just over one percent, adding to the current population of over 106 million. Fifty-three percent of the population is under the age of 25 and seventy-nine percent of the population resides in the urban areas. These up and coming consumers are more oriented towards U.S. products; therefore, these demographic changes in Mexico bode well for increasing exports. Women continue to join the workforce in larger numbers, which leads to increased demand for consumer-ready food products. Urban women in particular are shifting to healthier lifestyles for themselves and their children and are thus shifting their food consumption patterns to a more U.S./European style. These trends are also impacting supermarket growth. About 45 percent of retail food sales go through supermarkets; that figure is expected to grow to 60-65 percent in five to ten years. Supermarkets have better lighting, better displays, and maintain the cold chain better than traditional food retailers. This definitely helps sales of imported and usually higher value products.

The U.S. has a competitive advantage when it comes to Mexico. Sharing a 2,000 mile-long border and with multiple, sophisticated border crossings, the United States is the natural supplier in this just-in-time delivery market. In addition, the close proximity has made the tourism and restaurant sectors a dynamic sector for U.S. exports. Cancun and the Riviera Maya are up and running again after the ravages of Hurricane Wilma. Tourist destinations like Puerto Vallarta and Los Cabos on the Pacific Coast are booming. Most tourists are North Americans and, to a large degree, they like to consume familiar products.

#### Advantages and Challenges for U.S. Exporters in Mexico

Advantages	Challenges
<ul style="list-style-type: none"> <li>◆ In CY 2008 all U.S. products will enter Mexico tariff-free</li> <li>◆ Mexican consumers recognize U.S. brands and labels and associate U.S. made products with high quality and value</li> <li>◆ The U.S. has a strong reputation for consistency in the quality and supply of U.S. products among retail chains</li> <li>◆ Population in urban centers is growing and the rate of employment among women is continuing to grow</li> <li>◆ Proximity to the U.S. keeps transportation costs to Mexico low</li> <li>◆ The Mexican peso continues to be relatively stable in its relation to the U.S. dollar, making unexpected price fluctuations less likely</li> <li>◆ Continued growth in almost all sectors of the processed food industry in Mexico, and increased</li> </ul>	<ul style="list-style-type: none"> <li>◆ Mexico continues to explore and use individual product-by-product policy measures on a few sensitive products to protect the domestic industry</li> <li>◆ Competition from Mexican food processing companies is increasing</li> <li>◆ Mexican consumers are quite price conscious, and imported U.S. processed products in general are 15-40 percent higher in price</li> <li>◆ Transportation and distribution methods inside Mexico are undeveloped in many regions</li> <li>◆ Imported products are subject to often onerous Mexican quality standards (NOMs) and labeling requirements</li> <li>◆ Phytosanitary and technical barriers and labeling requirements can cause border crossing problems and delays as Mexican import regulations can change rapidly and without notice</li> <li>◆ Mexico has signed 10 trade agreements in the last decade</li> </ul>

<p>investments from national and international based companies, including those from the U.S., will raise the need for inputs</p> <p>◆ The major retailers are developing increasingly sophisticated distribution systems, which will provide more space and better cold chain technology for high-value imports</p>	<p>covering 60 percent of the world's GDP, including Europe; thus, competition from third countries is increasing</p>
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## Section II. Exporter Business Tips

### Business Culture

Understanding local practices, cultural preferences and consumers' behavior is a job the U.S. exporter should do to determine each company's objective, target audience, budget constraints, and local distribution capabilities. To illustrate, if a company is trying to develop a brand, then a massive means of promotion would probably be the most appropriate tool. However, if it were an innovative product that is to be introduced into a given market, then product demonstration or sampling would be the most appropriate promotional tool.

Personal relationships are the essential base of Mexican business relationships. Mexicans attach great importance to courtesy in all business endeavors. A warm handshake combined with conversation about the person's well being, family, or other similar topics prior to launching into any conversation related to business is considered a common courtesy. The concept that "time is money" should be left at the border and, though Mexican businesses are also conscious of the bottom line, courtesy and diplomacy are more important values to most Mexicans than getting immediately "down to business".

Personally visit your potential clients in Mexico. If a current or potential Mexican client visits you in the United States, you are expected to wine and dine him. You will be accorded similar treatment when visiting Mexico.

### Entering the Mexican Market

U.S. exporters should consider contacting local distributors/importers as an important early step in their efforts to establish themselves in the Mexican market. A good distributor should promote sales and make sure that the imported products are available at points of sale. It is essential to maintain close contact with your representative, especially regarding changes in import procedures and documentation.

An affordable way to investigate the market is to participate in and/or attend Mexican trade shows, particularly U.S. Pavilions organized at selected shows. Among the key food shows in Mexico are ANTAD, Alimentaria, Exphotel, Alimentab, and Abastur. A show can serve as a way to contact local distributors/sales agents, buyers and businessmen, and to become familiar with local competition. In the case of new-to-market companies, be prepared to

provide support for in-store and media promotions to familiarize consumers with your products.

If possible, develop product information/promotional pamphlets in Spanish. Generally, medium and small-sized U.S. companies that enter the Mexican market leave all of the promotional efforts to their local distributor or representative, relying entirely on their ability to sell to major players in the market. However, industry experts believe that in order to establish a long-term presence in Mexico, U.S. firms must directly invest in marketing and promotion to increase their sales.

#### **WHAT U.S. COMPANIES SHOULD KNOW**

- ♦ U.S. companies need to carry out market research to find out more about factors affecting their products such as local practices, competition, regulations, trends and distribution.
- ♦ U.S. firms must “acclimatize” their product to the local social and cultural preferences.
- ♦ U.S. companies should assign a specific budget to promoting the product locally.
- ♦ During the last ten years the marketing industry has evolved into a more sophisticated, segmented, and dynamic one.

Today, the choices U.S. firms have for marketing their products in Mexico range from promoting their products at food trade shows, point-of-sale displays, distributing promotional material in a one-to-one approach, promotional services such as in-store promotions, free sample campaigns, to advertising on billboards or utilizing other mass media channels.

It is highly recommended that companies do a background check with local associations before entering into contractual agreements with the potential importers. Local associations are often a great source for information and general orientation as to the most recommended strategy. The best way to understand the Mexican market is to visit the marketplace and to talk to buyers, retailers, distributors and other players in order to prepare a more effective entry strategy. U.S. exporters must do their research not only in terms of typical market research, but also in finding appropriate business contacts and thoroughly reviewing Mexican import regulations in order to successfully seize market opportunities and overcome market challenges.

More information is available on import regulations in the FAIRS report (MX7052) that includes information on the processes and procedures for exporting products across the U.S.-Mexican border. Furthermore, the U.S. Agricultural Trade Offices (ATO) of the United States Embassy with offices in Mexico City and Monterrey and U.S. industry associations can provide general market and sector specific information, as well as assist U.S. exporters in identifying trade contacts and developing their marketing strategies in Mexico (see Key Contacts and Other Relevant Reports).

### **Section III. Market Sector Structure and Trends.**

#### **A. Retail Sector.**

Mexico is the second largest market in Latin America with more than 97.4 million potential consumers, according to the population census taken in 2000 by INEGI (Instituto Nacional de Estadística, Geografía e Informática – National Statistics Office) and a GDP of Mx\$8,634 million in 2006. The growth of the retail trade in Mexico is influenced by the country's general economic conditions. Total retail sales reached Mx\$1.8 trillion in 2005 and are expected to approach Mx\$2.0 trillion in 2007 (Note: \$USD1 = Mx \$10.8).

Mexico is a leading Latin American economy due to its large population of 106 million and relatively high per capita output. The market expectations for retailing remain positive as it continues to be a key area of the Mexican economy, supported by employment generation, financial stability and expansion of consumer credit.

Ever since the signing of the North American Free Trade Agreement (NAFTA) in 1994, the retail trade has become more diversified and the quality of merchandise offered has improved in all types of formats. Foreign players, especially from the U.S., have entered the Mexican market with different store formats, pushing Mexican retailers to modernize and expand their facilities. The main urban cities are well covered by retail options and now the strategy is to move out to smaller cities throughout the country.

One important point, though, is that the retailing market is very fragmented due to the diversity of consumers with different purchasing power capabilities. This difference in purchasing power is reflected through current retail formats available in the market:

- Modern specialized formats, such as hypermarkets, supermarkets, and department stores, favored by middle to upper income consumers.
- Traditional formats, such as small independent stores, favored by middle and lower income levels.
- Informal establishments, such as street vendors and open public markets, estimated to account for 50 percent of the total retail market and mostly favored by lower income consumers.

**Supermarkets.** - These are the large self-service stores, in chains or independent. Generally these stores are classed as either 'supermarkets' (roughly 350 to 4000m2 and/or with 3-4 or more cash registers), or the larger 'hypermarkets'. Other large formats include warehouse-formats and membership clubs. Supermarkets tend to have a higher share of food in total sales than do the hypermarkets or clubs. In Mexico most of supermarket chains, convenience stores and department stores are associated at the National Retailers Association (ANTAD). Wal-Mart the largest supermarket of them all is also affiliated at ANTAD.

Number of Antad Associates			
Chains	Stores	(Sq. feet, thousands)	Sales 2006 Billion Dollars
SUPERMARKETS	2,089	97,015	35.9
DEPARTMENT STORES	910	30,430	9.9
	9,696	25,123	9.8

CONVENIENCE			
TOTAL	12,695	152,568	55.6

Aggressive pricing strategies implemented by large retailers, especially in hypermarkets, pushed the prices of merchandise downwards. Hypermarkets offer a wide assortment of products, including groceries, home appliances, clothing and footwear, books and periodicals, pharmaceutical products, some furniture, and others. They have become a direct competitor of department stores and other non-grocery formats. Wal-Mart de México is by far the leading retailer in the grocery market. It now remains the sole foreign participant since Auchan and Carrefour left the Mexican market in 2003 and 2005, respectively, due to strong competition and rumored collusions between long-established retailers and manufacturers.

**Chained drugstores.** - Chained drugstores such as Farmacias Guadalajara and Farmacias Benavides, are becoming an important competitor to grocery stores as they now combine self-service pharmacy and convenience store formats. They also offer pharmaceutical products, groceries, personal care and household care products. According to industry sources, non-medical products account for 55% of their total sales. The remarkable growth of self-service pharmacies and convenience stores like OXXO, Extra and 7-Eleven has affected the business of small independent stores as they cannot compete with longer hours and a wider assortment of products.

**Department stores.** - Department stores are the most popular and in-demand stores for specialty products. Mexican consumers like the department store format for its convenience and the wide array of merchandise under one roof. At a regional level, they compete with specialty stores and supermarket chains due to the limited availability of large department stores outside the major urban areas.

Historically, the retail market suffers greatly from variances in economic turmoil, leading to changes in performance, financial conditions and operating results. According to ANTAD, the Mexican Retailer Association, the 2006 Presidential elections led the top 100 ANTAD members to invest US\$1.2 billion to prepare for any economic woes through structural reforms, public safety improvements, legal setbacks and the protection of retailing jobs.

**Shopping centers and malls.** - On average, there is 7.2 sq m of selling space per inhabitant. Industry sources indicate that there are between 2,000 and 2,500 shopping centers throughout the country. However, there are at least 30 cities in Mexico with a population size between 300,000 and one million with no shopping centers, or if there is one, it does not satisfy the shopping needs of consumers.

There are two types of shopping centers in Mexico. The town centers are a new model of retailing centers where anchor stores like Wal-Mart, Soriana or Comercial Mexicana establish an outlet along with handy stores like hardware stores, dry cleaning services and beauty parlors. In contrast, upscale malls or fashion malls are anchored by large department stores like Liverpool and Palacio de Hierro, specialty stores like Deportes Martí or Zara and entertainment facilities like movie theatres and restaurants.

Since 2002, visits to shopping centers have increased by 30 percent. According to retailing sources, large shopping centers in Mexico City can receive an average of one million



customers per month. Average time spent at the centre is close to three hours and the average expenditure has increased from Mx\$140 to Mx\$200. Shopping centers continue to see increasing numbers of visits as they have become a popular gathering place for many families and young people.

The investment in shopping centers in 2004 and 2005 was estimated at US\$1 billion; more than double the investment each year between 1995 to 2000, reported at less than US\$400 million. The main developers were: GICSA, Sordo Madaleno, Mexico Retail Properties, Grupo Danhos and Frisa. Other developers include chains like Wal-Mart de México, El Puerto de Liverpool, Palacio de Hierro, Chedraui, Soriana and Commercial Mexicana, which own and develop shopping centers.

**Warehouse club market.** - The warehouse club market in Mexico is dominated by U.S.-based companies. Costco offers an efficient on-line ordering and delivery service to its members. Sam's Club also offers an on-line ordering service; however, the client must pick up the merchandise at the store.

Sam's Club now offers three very innovative retail formats directed at small businesses: "Mi Tiendita" (small grocery store), "Mi Cafeteria" (cafeteria) and "Mi Papeleria" (office/school supplies store.) All formats work under a franchise system that includes the minimum required inventory to start operating the business, such as merchandise, shelves, cashier, coffee machine, copying machine etc. This basic business format costs Mx\$45,000 to franchise and offers a flexible financing program based on monthly payments. Income profit expectations are at least 35% of sales.

As the sales of warehouse clubs increase, regional retailers like Sahuayo, Grupo Chapa and Casa Ley suffer due to loss of sales. Consumers are price sensitive and prefer to shop at warehouse clubs, which usually offer lower prices on most merchandise. As an added value, warehouse clubs offer innovative products, discount coupons, live demonstrations and promotional gifts to attract customers.

### **Market Trends.**

In the past three years Mexico's GDP has seen positive rates of growth, reaching an estimated 3.6 percent in 2005. This positive performance was explained by increased consumer consumption and active investments in both the private and public sectors. Credit expansion also helped the economy by providing access to financial resources for the industry and consumers.

Macroeconomic factors highly influence the performance of retail sales. Historically, Mexico has experienced several economic downturns, translating into devaluations, lack of investment and lost productivity. Since 2000, Mexico has enjoyed relative stability, with healthy growth of 12 percent recorded in total retail value sales. Grocery retailing accounted for 51 percent of total retail sales.

The state of the economy is the most important purchasing factor among consumers. Increasing employment with better salaries increases disposable income and private consumption. The good performance in private consumption since 2002 can be explained by demographics and tax reductions.

It is estimated that 65 percent of the Mexican population is between the ages of 11 and 50, indicating that the majority of the population falls within the productive force of the economic



pyramid. Young employed people are highly desirable customers of retailers as they have disposable income and are willing to try new formats, merchandise and shopping trends.

The Secretaría de Hacienda (Ministry of Finance) has been implementing an income tax reduction plan since 2001. To date, income taxes have been reduced from 34 percent in 2001 and the income tax is expected to be 28 percent in 2007. Disposable income has grown as a result of these taxation changes. The government wants to further stimulate the economy and has explored other sources of revenue away from income taxes. Two of these new sources come from high excise taxes on alcoholic drinks.

**What this means for exporters:**

- Traditional retail sales and marketing chains are changing rapidly. Be prepared to make new contacts to keep your products on store shelves.
- Supermarkets are more and more interested in buying directly from suppliers, bypassing traditional distributors.
- If you have been selling into the HRI sector and want to take advantage of the club store movement to supply hotels and restaurants, you will have to label your products as if they were for retail sale.
- Competition is fierce and retailers are constantly searching for new products, so you cannot take the Mexican market for granted. Come every year to trade shows or to your distributors with your new products, as that is what consumers want.

Local producers are the main suppliers of consumer ready products. Mexico has a relatively strong food processing industry and leading Mexican brands have well-developed national distribution networks and are well positioned in the market and enjoy high brand awareness with consumers.

Competition among importers depends on the category. Competition from Europe has increased as a result of the Mexico-European Union Free Trade Agreement.

**B. Food Processing Sector.**

In Mexico, according to the Business Registry of the Mexican Secretariat of Economy (SECO), [www.economia.gob.mx](http://www.economia.gob.mx), there are over 8,000 food and beverage processing companies, generating over half a million jobs, and handling a range of over 20,000 different products.

Mexico offers very good opportunities for suppliers to the processed food sector. The demand for processed foods is increasing, and the industry is keeping pace. There are several emerging consumer and industry trends that are shaping the food processing industry. For example, Mexico is the world's largest per-capita consumer of soft drinks. An increase in the number of people plagued by diabetes and obesity, along with an aging population coincides with a market shortage of items geared towards these groups. Nonetheless, the consumption of fruit (fresh and prepared), meat products and dairy (especially yogurt and similar goods) is on the rise. A new class of Mexican consumer is demanding products that are healthy, convenient and innovative.

A number of demographic factors are directly influencing the performance of packaged foods in Mexico, namely, the increasing participation of women in the workforce and an aging population. The percentage of working women in Mexico increased substantially, rising from 18 percent in 1970 to 35 percent in 2005, according to census research by the National Population Council (CONAPO), [www.conapo.gob.mx](http://www.conapo.gob.mx).

Females in the workforce are significant for two fundamental reasons. First, their additional wages adds further to disposable household income to allow for the purchase of products previously perceived as too expensive. Second, with more women working and spending less time engaged in domestic activities, Mexican consumers now are searching for more convenient food and foodservice alternatives.

Other developments likely to be observed over the forecast period as a result of the working female trends, include safer packaging options to allow children to handle products on their own, smaller packaging options geared towards younger consumers as well as less affluent consumers, prepared or ready-to-eat meal substitutes and products with easy preparation, such as microwaveable products.

A number of manufacturers now target younger consumers with value-added fortified biscuits and cereals, among others. It is anticipated that higher life expectancy rates will be supported by increased health awareness.

Additionally, companies in the food-processing sector have formed strategic alliances with foreign companies in search of technology, raw materials and capital. U.S. suppliers dominate Mexican imports of raw materials and foreign direct investment for the sector. Between 1999 and 2006, US\$5.82 billion in foreign investment flowed into 60 plus companies registered in the food-processing sector, out of which 50 percent received U.S. capital. Also, Mexico imports from the United States six times as much raw material for the industry as it exports. Imports for the food-processing sector grew 23 percent between 2001 and 2005. The figures indicate a strong and growing dependence upon foreign suppliers to the industry, and U.S. suppliers are well positioned to take advantage of these opportunities.

#### C. Hotel, Restaurant, Institutional (HRI) Sector

Mexico's hotel, restaurant and institutional food services (HRI) sector continues to provide export opportunities. During 2006, despite the effects of Hurricane Wilma which hit the Mexican Caribbean (especially the cities of Cancun, Playa del Carmen and Cozumel which together receive around 30 percent of the total tourists visiting Mexico every year), a total of 21.4 million international tourists visited Mexico compared to 23.9 million in 2005. These visitors spent over \$12.2 billion, five percent above 2005 levels. These figures show the strength of the Mexican tourism industry despite a very difficult year. Mexico is ranked in the 8<sup>th</sup> place in the world for the total of tourists received and 14<sup>th</sup> in relation with tourism generated income.

Total tourism GDP during 2006 reached over \$70 billion representing 8 percent of the national GDP of which the consumer foodservice contribution is estimated to be at around 2.5 percent.

The Mexico's Secretary of Tourism, reports 556,399 rooms in Mexico with 46.5 percent of them being Three, Four and Five star hotels. According to the National Chamber of the Restaurant Industry (CANIRAC), Mexico has around 232,000 established restaurants, which reported sales of \$14.5 billion in 2006.

U.S. suppliers continue to enjoy favorable market conditions as Mexican consumers become more discerning and American restaurants and hotel chains expand operations in Mexico.

Sales of consumer-ready products account for 42 percent of total U.S. agriculture, fishery and forestry exports to Mexico, and reached a record of \$4.9 billion in 2006.

U.S. products are perceived to be of high quality and the United States has a 75 percent import market share in agricultural products, followed by Canada with 6 percent. American products dominate imports with the main competition coming from local firms. Of all food products consumed in hotels and restaurants, approximately 15 percent are imported.

Independent distributors continue to be the main suppliers for the HRI sector. However, they have been experiencing greater competition from large Club Stores, which have been aggressively pursuing their share of this market, especially in the resort areas.

The largest growth in the HRI sector is seen in tourist destinations, such as the Mexican Caribbean (Cancun and recently the Mayan Riviera), Huatulco in the South, Los Cabos, Puerto Vallarta and Nuevo Vallarta in the West Coast. The main distribution centers continue to be the large central markets located in Mexico City, Monterrey and Guadalajara. However, with the modernization of port and airport infrastructure as well as logistic centers in many places, cities such as Cancun receive most imported items directly.

While some hotels and restaurants do import directly, U.S. suppliers need to serve the market through an established distributor. Some hotels and restaurants, especially those belonging to international chains/franchises, have centralized controls that limit their individual ability to purchase new items. However, they are always looking for new products.

The best prospects for U.S. exporters are with the large hotel groups and international-class restaurants since smaller establishments use fewer processed foods and a limited number of imported goods. Many U.S. food products, including frozen meats, poultry and dairy products, are purchased directly at large club stores for use in many restaurants.

#### Section IV. Best High value Product Prospects

From 2002 to 2006, U.S. consumer-ready exports to Mexico have grown by 41 percent to \$4.2 billion with record sales across many product categories such as poultry meat, dairy, fresh vegetables, processed fruit and vegetables, breakfast cereals and mixes, processed meat, wine and beer.

#### U.S. EXPORTS OF CONSUMER READY AND INTERMEDIATE AGRICULTURAL PRODUCTS

(In Thousands of US Dollars; Calendar Year Information)

Product	2004	2005	2006	Jan-Jul 2007
Dairy Products	387,263	507,454	444,297	395,876
Poultry Meat	330,652	451,599	456,544	292,602
Snack Foods	190,606	226,334	244,090	129,513

Breakfast cereals/dry mixes	60,608	59,697	63,760	34,786
Processed Fruits and Vegetables	402,906	407,103	431,963	242,575
Wine/beer	66,006	75,249	84,030	56,599
Red Meats (fresh/chilled/frozen)	1,067,870	1,339,888	1,634,185	888,047
Red Meats (prepared/preserved)	91,624	97,108	107,324	43,205
Rice	182,823	165,434	204,487	132,562
Soybean Meal	216,477	321,219	376,910	255,422
Sugars, sweeteners, beverage bases	64,772	122,408	234,404	113,264
Forest products	458,614	513,272	599,683	334,694

Source: USDA bulk, intermediate, and consumer-oriented agricultural product data (BICO).

## Section V. Key Contacts.

The primary mission of the U.S. Agricultural Trade Offices (ATO) in Mexico City and Monterrey is to assist in the market development and promotion of U.S. food and agricultural products in the Mexican market. There are a wide variety of activities and services that the ATOs, along with other private sector representatives called "cooperators," make available to help develop U.S. agricultural interests in Mexico. If you have any questions or comments regarding this report or need assistance exporting U.S. food and beverage products to Mexico, please contact the ATOs in Mexico City or Monterrey.

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## Appendix – Statistics

### MEXICAN IMPORTS FROM THE UNITED STATES AND THE WORLD (In Millions of USD)

	Imports From the World			Imports From the U.S.			US Market Share		
	2005	2006	2007*	2005	2006	2007*	2005	2006	2007*
BEEF FRESH/CHILLED	641	662	768	299	376	430	46	56	60
POULTRY MEAT	240	275	318	210	234	287	87	85	90
PORK FRESH/FROZEN	233	249	231	206	203	209	88	81	90
DAIRY, EGGS, HONEY	505	508	678	206	253	307	40	49	45
CHEESE	109	126	158	40	55	82	37	44	52
VEGETABLES	86	116	139	62	90	108	72	77	77
EDIBLE FRUIT AND NUTS	280	346	285	196	240	266	70	69	93
CEREALS	852	975	1456	770	872	1306	90	89	89
PRESERVED FOOD	188	240	275	127	164	165	67	68	60
BAKING RELATED	287	183	236	212	102	134	73	55	56
BEVERAGES	189	227	264	67	91	104	35	40	39
FOOD WASTE ANIMAL FEED	329	404	469	300	367	436	91	90	92
HIDES AND SKINS	473	436	372	287	209	175	60	47	47
FATS & OILS	332	353	450	198	199	251	59	59	55
FISH & SEAFOOD	104	140	184	14	11	12	13	8	7
WOOD	637	684	709	279	286	302	43	42	42

Source: World Trade Atlas

\* Up to July 2007

## Other Relevant Reports

Following are useful links for further information about the Mexican market.

[FAIRS COUNTRY REPORT](#)

[FAIRS PRODUCT SPECIFIC / Frozen Food Import Requirements](#)

[FOOD PROCESSING INGREDIENTS SECTOR](#)

[RETAIL FOOD SECTOR](#)

[HRI FOOD SERVICE SECTOR](#)